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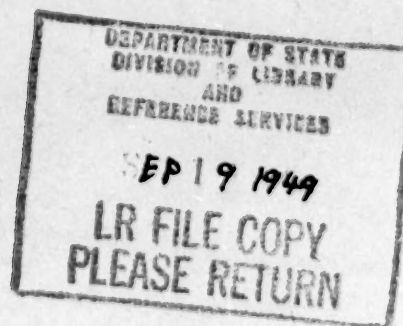
WAGE AND SALARY EARNERS IN AUSTRIA

by authority of

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Description

This paper describes the size and occupational distribution of the wage and salary earners in Austria, and analyzes their earnings, the incidence of employment, and other factors affecting the conditions of labor.



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SUMMARY

1. The employed population of Austria, which in 1934 totalled 2,141,319 persons, was divided into wage earners (both rural and urban) and salaried employees. The former group included chiefly factory workers and agricultural laborers, while the latter was made up of clerical personnel, sales clerks in retail establishments, and the like. Within both major divisions was a small group of apprentices.

2. The urban wage earners included a total of 1,271, 927 persons in 1934. About 43 percent of them earned less than 1,400 Schillings a year, an amount defined by Austrian economists as a minimum standard of living. Over 30 percent were unemployed in 1934.

3. Salaried employees numbered 460,329 persons in 1934. Their wage rates were considerably higher than those of urban wage earners: about 38 percent of them received monthly wages of over 400 Schillings. Their rate of unemployment was also considerably lower, being about 18.1 percent in 1934. In part this is explained by the security offered by government service, which absorbed a large number of the salaried employees.

4. In 1934 there were 347,048 wage earners in agriculture -- permanent, temporary, and migratory workers. On the whole, conditions of labor were much less favorable for agricultural workers than for urban wage earners, as the former were not in practice subject to any limitations on their hours of work. Their earnings were low, averaging around 100 Schillings a month -- including the value of their food and lodging. Unemployment, however, was much lower among them; it is estimated at only 7.6 percent in 1934. During the period of Nazi rule most of the agricultural wage earners were probably replaced by foreign workers and prisoners of war.

I. SIZE AND DISTRIBUTION OF EMPLOYED GROUP

Wage and salary earners can be defined as those persons dependent for their living chiefly upon periodic money payments by an employer in return for their labor services. Such a definition automatically excludes other members of the working population such as employers, professional men, independent artisans, independent farmers, and the like. According to the 1934 census, ¹ the most recent figures that permit a detailed analysis, wage and salary earners constituted by far the largest portion of Austria's working population:

Wage and salary earners	2,141,319
Independent	649,665
Family members in family undertakings	598,888
	<u>3,389,872</u>

While both wage and salary earners in Austria depended for their livelihood upon periodic money payments by an employer, an important social and economic distinction must be made between the two groups. Most wage earners, although their class also included an important group of farm laborers, were primarily factory workers. Among the salary earners, on the other hand, were found primarily clerical employees, retail sales personnel, and the like; their social status was on the whole considerably higher than that of the wage earners. Their work usually brought them into immediate contact with their employers; clerical workers, for example, who were agents of their employers, were often entrusted with carrying out certain simple procedures necessary for the management and control of industry. Reflecting and stressing this difference in status were certain distinctions of dress and speech which set off the "white-collar" worker. Finally, the salaried employee on the whole enjoyed greater economic security than the factory hand, especially under the social legislation of the Austrian Republic, even though his income might be no higher.

These differentiations were Austrian law according to which the following persons were considered salaried employees:

1. All figures referring to the 1934 census are from Statistik des Bundesstaates Oesterreich, Die Ergebnisse der Oesterreichischen Volkszählung vom 22. März 1934, 2 vol., Vienna, 1935.

- ¹Managerial personnel
- Supervisory personnel
- Office personnel with a few exceptions for minor services
(messengers, running of mimeographs etc.)
- Sales and stock clerks
- Artists
- Educational services
- Scientific or medical researchers (including technicians)
- Social workers
- All kinds of work requiring higher than grade school education

Subordinate groups among both wage and salary earners were the apprentices. Apprenticeship up to three years or more was legally required not only in all handicraft professions but also in a number of skills used in manufacture. After finishing his compulsory grade school education -- which usually meant after having completed his fourteenth year -- a youngster intending to learn such a trade was hired under an apprenticeship contract either by a handicrafts master or by a manufacturer. During his apprenticeship he was supposed to acquire a practical education in the shop through successive experience with all operations; in addition, he had to attend a trade school. The apprenticeship was formally terminated by a final examination in theory and practical performance. During his apprenticeship the youngster received a small monetary compensation, regulated by decree. Apprentices working in handicrafts, and in some other trades, used to live on the premises of the employer.

The distribution of these three groups -- wage earners, salaried employees, and apprentices -- is shown in the following table, based on the 1934 census.

¹ Statute of Social Insurance, B.G.Bl. no.107/35, paragraph 223.

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	Wage earners	Salaried employees	Apprentices	TOTAL	
				number	percent
Agriculture	347,048	11,484	952	359,484	16.8
Mining	20,858	1,849	77	22,784	1.1
Industry, handicraft(1)	739,705	104,220	47,304	891,229	41.6
Trade, transportation	181,354	147,143	11,913	340,410	15.9
Banking, insurance	3,443	27,814	109	31,366	1.5
Professional services	24,590	92,766	451	117,807	5.5
Public services	63,424	56,474	2	119,900	5.6
Domestic services (2)	58,927	2,160		61,087	2.9
Servants (2)	98,634	4,854		103,488	4.8
Undetermined	80,992	11,475		93,764	4.3
	1,618,975	460,239	62,105	2,141,319	100.0

Austria's wage and salary earners were distributed among the individual states in 1934 as follows:

	Total		Wage earners		Salaried employees		Apprentices	
	Number	percent	Number	percent	Number	percent	Number	percent
Vienna	790,628		523,831	32.8	244,043	53.0	22,754	36.6
Lower Austria	423,711	19.8	346,134	21.4	63,975	13.9	13,602	21.8
Styria	282,165	13.2	226,602	14.0	47,139	10.2	8,424	13.6
Upper Austria	259,979	12.1	215,943	13.3	37,271	8.1	6,765	10.9
Carinthia	112,833	5.3	92,185	5.7	17,346	3.8	3,302	5.3
Tyrol	94,405	4.4	70,063	4.4	21,438	4.7	2,904	4.7
Salzburg	72,943	3.4	56,850	3.5	14,542	3.2	1,821	3.0
Burgenland	55,855	2.6	48,977	3.0	5,323	1.2	1,555	2.5
Vorarlberg	45,333	2.1	35,416	2.2	8,963	1.9	954	1.6
Undetermined	3,469	.2	3,244	.2	199		24	
	2,141,319	100	1,618,975	100	460,329	100	62,105	100

This distribution of wage and salary earners followed the general population distribution. The high concentration of salaried employees in Vienna was due to the centralization there of public administration and of banking and distribution services. The geographic distribution in terms of occupation, was as follows.

	Ind. Agric.		Trade Handic.		Banks Transp.-Ins.		Public service	Prof. serv.	All dem. services	Undeter-mined
Vienna	2	41	52	67	37	46	51	31		
Lower Austria	27	21	13	10	17	16	13	23		
Styria	21	12	11	8	12	12	12	13		
Upper Austria	24	10	8	7	11	9	9	10		
Carinthia	10	4	4	3	5	4	4	6		
Tyrol	4	4	6	3	7	6	4	5		
Salzburg	5	3	3	2	4	3	3	5		
Burgenland	6	2	1	.	4	2	2	4		
Vorarlberg	1	3	2	.	3	2	2	2		
Undetermined	.	.	.	.	.	.	.	1		
	100	100	100	100	100	100	100	100		

1Covers manufacturing, handicraft, and "hygienic services" -- barber shops, beauty parlors, public baths, dyeing and cleaning plants -- and the like. For comparative purposes, this somewhat unusual grouping of the census has had to be maintained.

2The census differentiates between domestic services and servants. To the former belong those not living in the employers' households. In all general tables, however, the first group is included under services.

This occupational distribution in terms of geography is natural. Agriculture is concentrated in the plain and hilly regions of Lower and Upper Austria and Styria. Vienna's lack of agricultural labor is more than offset by its disproportionate share in other occupations, particularly banking, trade, and transportation.

According to the German population census of 17 May 1939, which, because of its different census methods and varying coverage of sub-groups permits comparison only of very broad categories, the change in working strata between 1934 and 1939 looks like this:

	1939	1934
Wage earners, apprentices, domestic workers	1,638,900	1,666,200
Salaried employees, apprentices in trade and transportation	584,500	475,000

Very little reliable information is available on war-time developments. Following the German trend, there was undoubtedly a shift from industry to industry -- e.g. the metal industry and mining probably increased at the expense of building activities and textiles. It can be assumed, too, that the industrial plant of Austria expanded during the war because of its relatively favorable location with respect to water power and air security. Thus it is estimated that the number of workers in mining, industry, and handicraft proper reached as high as 1.2 million³ by mid-1944 (as compared with 808,000 in 1934 or 866,000 in 1939), three quarters of which were foreign workers including prisoners of war.

1. All figures referring to the 1939 census are from Sonderbeilage zu Wirtschaft und Statistik, vol. 21, no. 19, 1941: "Die Erwerbspersonen im Deutschen Reich und in den Reichsteilen."

2. For comparative purposes, all apprentices in industry and handicraft were allocated to the wage earners and all others to salary earners.

3. Estimate based on data from R & A Report No. 1892.3, Estimated Population of the Countries of Europe by Consumer Groups: Austria.

II. URBAN WAGE EARNERSA. Earnings

No comprehensive and current wage statistics are available for Austrian labor, which totaled 1,271,927 persons in 1934. As an overall indication of the wage distribution among wage earners in private industry, handicraft, trade, transportation, and all services, however, statistics on wage groups in the compulsory workers' sickness insurance scheme may be used.¹

Wage class	Estimated average weekly earnings	1924	1925	1926	1928
	(in Schillings (2))	(per thousand of insured)			
I	4.30	84	63	55	51
II	5.40	111	37	28	27
III	6.50	15	22	24	20
IV	7.60	24	9	8	10
V	8.90	18	111	111	35
VI	10.80	12	7	7	25
VII	12.60	34	28	25	21
VIII	16.20	39	37	32	133
IX	21.60	663	76	75	71
X	28.80 or more	(	619	635	607

In 1928 these wage groups were revised; the following years, consequently, are not entirely comparable with the foregoing table.

Wage class	Estimated average weekly earnings	1929	1930	1931	1932	1933	1934
	(in Schillings)	(per thousand of insured)					
I	6.50	72	73	70	62	61	59
II	7.60	25	24	25	29	29	25
III	9.40	36	47	62	59	9	9
IV	10.80	12	10	13	16	10	10
V	12.60	25	25	26	47	22	22
VI	16.20	140	156	168	183	190	190
VII	19.80	30	29	29	30	29	30
VIII		71	67	66	72	84	90
IX	32.40	100	96	92	95	116	124
X	36.20 and more	489	473	449	401	450	441

An obvious trend appears toward better earnings, up to 1928, but this is reversed during the depression until 1932, after which a slow improvement begins.

1. Figures from Nachrichten für Soziale Verwaltung, 1926-1930;

Wirtschaftstatistisches Jahrbuch, 1932/33, p.465;

2. The Schilling was worth about 14 and 20 cents respectively after the dollar's devaluation.

Austrian economists have frequently called attention to the high proportion of poorly-paid workers in Austria's laboring class. Taking an income of 1400 Schillings a year as the minimum required for an adequate standard of living, they point out that in 1934 about 43.5 percent of all wage earners subject to compulsory sickness insurance (i.e. classes I to VIII) earned less than this amount. Agricultural workers, miners, and those in public service are not covered by the foregoing statistics. Since, however, agricultural labor, at least, had very low cash wages, the inclusion of those groups would probably show an even higher percentage of below-minimum wage-earners.

A fair proportion of those whose income fell below the minimum of 1400 Schillings were probably domestic workers, part of whose income consisted of board or lodging or both. However, further data indicates that the group included many industrial workers as well.

The following table shows the income distribution in a selected number of industries in Vienna and Lower Austria in 1933.¹

Industry	Number of workers, with average weekly earnings in Schillings								100 and more	TOTAL
	Below 30	30-40	40-50	50-60	60-70	70-80	80-90	90-100		
Cable	65	62	86	82	31	25	12	4	1	368
Low tension	151	333	463	253	218	227	159	44	48	1,896
Electric bulbs	17	151	86	30	18	5	2	.	.	309
High tension	5	33	103	125	93	66	19	8	11	463
Machinery	58	93	162	191	204	181	107	54	15	1,065
Building trade	9	69	93	404	289	402	116	60	20	1,467
Textile converter	285	352	271	60	43	22	2	.	.	1,035
Cotton	589	926	255	130	53	15	2	2	.	1,972
Wool	577	767	312	159	31	14	1	.	.	1,861
TOTAL	1,756	2,786	1,836	1,434	980	557	420	172	95	10,436
in percent	16.9	26.7	17.6	13.7	9.4	9.2	4.0	1.6	.9	100.00

¹or a later date (May 1935) and on the basis of a broader sample covering only industrial workers in Vienna the following wage distribution is reported:²

1. Figures from Wirtschaftstatistisches Jahrbuch 1933/35, pp.416-28.

2. ¹Figures from Hans Lauer, *Die Löhne der Arbeiterschaft*, Vienna 1936, quoted in *Statistische Nachrichten*, 27 November 1936, pp.211-13.

<u>Weekly wage class</u>	<u>Number employed</u>	<u>Percent of sample</u>
Below 28.80 S	7,774	14.3
From 28.80 to 38.40	13,755	26.2
38.40 48.--	10,661	20.3
48.-- 57.60	8,149	15.5
57.60 67.20	6,353	12.1
67.20 76.80	4,085	7.8
76.80 86.40	1,409	2.7
86.40 and more	424	.8

Average gross earnings, according to this sample, would have been 45.60 Schillings a week. Since average deductions for social insurance and taxes amounted to 11.3 percent in this wage bracket, net earnings came to about 40 Schillings a week, or assuming permanent employment over a year, to a yearly net income of about 2,000 Schillings.

It should be kept in mind that both of the foregoing tables cover only a sample of industrial workers in Vienna and Lower Austria. In those regions wages were on the average higher than elsewhere in Austria. Even in this group, however, the comparatively low figures for workers earning less than the subsistence minimum (16.9 percent for Vienna and 14.3 for Lower Austria) are based on the assumption of continuous employment throughout the year. Actually, employment was subject to heavy seasonal fluctuations in just those industries where average earnings were low (largely because of the high percentage of female labor). An example is the textile industry.

An investigation of consumers' expenditures carried on over a number of years by the Vienna Chamber of Labor¹ for about seventy workers' households reveals the following average distribution of family income in the sample.

1. From Wirtschaftstatistisches Jahrbuch, 1929/30, pp. 420-21; 1933/35, pp. 300-1; 1937, pp. 45-47

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	1929	1933	1935
	(in percent of total family receipts)		
Wage income of husband	60.43	52.96	52.75
Wage income of wife	7.73	10.09	8.34
Wage income of adult children ¹	8.60	8.83	9.91
total wage income:	76.76	71.88	71.00
Relief, insurance, pensions:	12.12	19.39	19.48
Income from subletting and from taking in foster children:	2.36	2.90	4.61
Credit:	5.97	2.13	2.89
Gifts, withdrawals of savings, misc.	2.79	3.70	3.02
	100.00	100.00	100.00

Although this small sample of about seventy households cannot be considered fully representative, even in Vienna, it does suggest that in all income brackets total family wage income is a multiple income contributed not only by the father but by wife and children as well. Although the share of the family head tended to increase with increasing total income, it reached on the average only 60 percent in the best year, 1929, and rose to 80 percent only in the highest income bracket of 6000 Schillings and above. The rest of the family income came from relief -- mostly unemployment benefits during temporary unemployment or sickness benefits. Subletting and caring for foster children was rather widespread, particularly in Vienna. A relatively small part derived from other sources, such as credit, installment buying, or withdrawals of savings.²

The table further emphasizes that in evaluating money earnings of Austrian wage earners the benefits derived from social legislation must be taken into account as an additional source of income as well as a saving in expense. Compulsory sickness insurance provided not only for

1. Adult children in an Austrian household are usually considered as those above fourteen years of age who have finished their compulsory school attendance. If the child aims at a skilled profession, he is hired as an apprentice, usually with a three-year apprenticeship; during this time he gets a small amount of money as wage. Those not aspiring to a skilled profession may get jobs as unskilled workers. There are no restrictions after the age of fourteen on employment of children of both sexes.

2. The table shows slight fluctuations among these percentage distributions, reflecting the business cycle over the period chosen. It starts with a relatively prosperous year (1929), dips down to the trough of the depression (1933) and rises to the recovery year of 1935 -- though this last improvement does not manifest itself in the figures.

complete medical care but also for monetary benefits during a limited period of absence from work. Unemployment relief, similarly, to a certain degree covered a limited period of unemployment, while workmens compensation provided security in case of disability caused by labor accidents. In addition, the law provided for paid vacations after a certain period of uninterrupted employment. Other benefits, moreover, were gained by labor in collective bargaining.

As additional information on the standard of living in various income brackets, a percentage distribution of expenditures may be given below for the same three years.

Expenditure Group

Income bracket	1935									
	Food	Rent, util- ities, heat	Apparel, house linen	Taxes, in- surance	Debt re- payments	Savings	Entertainment, leisure activ- ities	Home fur- niture	Carefare and travel	Medical care, hy- giene
Below 2,000 S	56.85	20.56	5.86	3.15	2.0	0.09	2.66	0.64	2.02	1.54
3,000-4,000 S	52.93	12.08	7.72	6.11	1.9	.92	3.16	1.48	1.71	2.31
6,000 and more	36.31	7.36	12.13	10.90	3.29	.87	6.67	5.61	2.61	3.42
All brackets	48.48	13.48	8.12	6.11	2.55	.99	5.05	3.18	2.23	2.31
1933										
Below 2,000 S	56.39	20.00	5.57	2.82	2.66	.11	4.32	1.95	1.38	1.94
3,000-4,000 S	49.60	12.40	10.38	4.50	3.73	1.70	6.30	1.82	2.08	2.66
6,000 and more	41.96	6.39	11.24	8.29	3.65	2.42	8.45	2.92	2.33	2.28
All brackets	48.27	11.02	9.55	5.36	2.33	1.81	6.71	2.20	2.10	2.30
1929										
Below 3,000 S	56.80	12.19	8.41	1.60	1.69	.06	5.23	5.35	2.25	2.28
4,000-5,000 S	48.86	7.48	10.76	3.88	3.50	2.80	7.23	3.33	1.94	1.96
7,000 and more	39.06	5.86	13.59	4.61	9.57	2.88	7.84	3.37	2.87	2.46
All brackets	47.22	7.54	11.67	3.58	6.07	2.14	6.67	3.43	2.83	2.13

So far as the general percentage distribution within one year is concerned, it is apparent that percentile expenditures for food decrease with increasing income. The same holds true for rent and utilities; the latter played a disproportionately large role in the lower brackets as compared to rent. Most conspicuous is the small share of savings in family expenditures; even these small percentages represent gross savings which to a considerable degree are offset by liquidation of savings appearing on the income side. The low propensity to save is partly an expression of the relatively low standard of living and of the limited use made of institutional savings among Viennese workers. Very few of them, even in high income brackets, aspired to possess a home of their own; sickness and disability were taken care of by compulsory insurance; and life insurance was not very popular with the working class.

Shifts in expenditure within the same income bracket¹ over the time period covered are mostly the expression of decreasing income during the depression. The percentage of earnings spent for food remained stationary for the lowest income group.² The general rising proportion of expenditures for rent is traceable to the housing shortage in Vienna and to the traditional immobility of city dwellers which tends to prevent any adjustment of rent expenditures to a change in income. The most

1. For all three years the lowest, highest, and the median brackets have been chosen; from 1929 to 1933 the marginal brackets were changed in the original statistics because of falling incomes, but cover approximately the same families.

2. This unexpected phenomenon may be explained first by shift within the food group from more expensive to cheaper foodstuffs -- a fact revealed in more detailed analysis of food expenditures -- and, secondly, by the rapid fall of food prices as compared with other prices. The retail price indices in those three years run as follows:

Average yearly retail price indices
(July 1914:100)

	1929	1933	1935
Food	138	106	103
Beverages and tobacco	120	139	138
Apparel	152	140	142
Household articles	170	169	162
Heat and utilities	137	155	157
Services	137	158	149
Total average	147	142	140

Source: Statistisches Handbuch, 1936, p. 123

inelastic group of expenditures are insurance and taxes. The former are comprised mostly of social insurance premiums; the fact that they rose during a period of falling income is partly the effect of a deflationary policy which raised taxes and social insurance premiums.

Little further information is available on the trends in earnings of wage earners or of wage rates. According to a study of the Vienna Chamber of Labor¹, average real weekly wages in Vienna and Lower Austria rose from 1925 to 1935 from 47.79 to 52.44 Schillings a week. Taking 1925 as 100, the index was 114 in 1930, its highest point, and fell to 109.7 in 1933.

Another index of yearly wages on the basis of minimum rates in selected collective agreements was published by the Austrian Institute for Business Research.² In order to make the Institute's figures comparable to the ones quoted above for real wages in Vienna, its wage index has been deflated by the cost of living index.

	Wages	Cost of living (1924/32:100)	Real wages
1924	85	83	102.4
1925	92	91	101.1
1926	94	97	97.0
1927	98	100	98.0
1928	101	102 ³	99.0
1929	108	121 ³	
1930	109	105	103.8
1931	109	100	109.0
1932	105	102	103.0

Both sets of figures show that the depression starting in the Thirties did not lower the real wages of those remaining on the job. The impact of the depression hit first those thrown out of work, and in this way reduced the standard of those remaining at work, since they had to carry part of the support of the unemployed.

After the trough of the depression had been passed, wages during

1. Quoted in *Der Oesterreichische Volkswirt*, vol. 29, no. 12/13, 19 December 1936.

2. *Monatberichte des Oesterreichische Institutes fur Konjunkturforschung*, vol. 7, no. 4, 1933, p. 70

3. The cost of living index for 1929 is given as 121. There is no explanation for this sudden rise in one year, nor does such a development conform with another cost of living index currently published by the *Bundesamt fur Statistik* (Federal Bureau of Statistics). Hence, the real wage index for this year has been omitted.

Austria's remaining years of independence,
fairly stable.

Year	Wage index in ¹		
	Building trades	Metal Industry	Bakeries
1931	100	100	100
1932	90	102	98
1933	86	96	96
1934	78	95	96
1935	71	95	96
1936	71	95	96
1937	71	95	96

With the exception of the building trades, where the index refers only to work undertaken by large firms, the index confirms the development indicated in the Vienna Chamber of Labor study (see preceding page).

The Anschluss brought a general rise in prices and wages. However, the wage differential between Vienna and the surrounding industrial areas on the one hand, and the rest of Austria on the other, seems not to have changed. Vienna's average hourly wage rates in 1942 were the highest in Greater Germany after Berlin and Hamburg. The rest of Austria ranked almost exactly in the center of the scale, with all of eastern Germany as well as all other annexed territories showing lower wage rates.²

B. Unemployment

No employment figures by groups of wage earners can be derived from available current unemployment statistics. Only in the 1934 census are figures on unemployment broken down by occupational groups.

Economic group	number of wage earners	of which unemployed	
		number	percent
Mining, industry, handicraft	760,563	355,133	46.7
Trade and transportation	181,354	43,344	23.9
Banking and insurance	3,443	531	15.4
Public service	63,424	1,936	3.1
Professional services	24,590	3,579	14.6
Domestic services	157,561	19,014	12.1
Undetermined	80,992	57,844	71.4
	1,271,927	481,381	37.9

In other words about 75 percent of the wage earners out of work at the census date had usually been employed in industry. Unemployment was lowest, of course, in public service. However, this category covers only employment within the public administration, the Army and the Church. Since other groups, such as transportation or professional services also

1. Monatsberichte des Oesterreichische Konjunkturforschungsinstituts, vol. 12, no. 1, 1938

2. (British) Basic Handbook on Germany, Section R, p.9.

contain many public employees, the unemployment percentages for these groups fell far below the average for wage earners as a whole. For comparative purposes it should be kept in mind that the census was taken at a time of high seasonal unemployment (end of March). On the other hand, a comparison of the census figure on unemployment with figures of approximately the same date on people registered with the Labor Employment Service (LES) shows the considerable extent of invisible unemployment. Thus, as against 462,300 unemployed in industry, trade, transportation, and private (not domestic) services, there were registered with LES by the end of March only 403,158 of which 27,938 were classified as salaried employees, leaving a comparable figure of about 375,200 wage earners.¹ From the census figure a little more than two percent has to be deducted for the number of those only temporarily out of work on account of sickness; and from the LES figure an estimate for those white-collar groups not separately shown in the LES statistics, whose salaried employee category covers only bookkeeping, stenographic, and sales personnel. In other words, invisible unemployment of wage earners in private industry, trade, and services amounted to the difference between 453,000 (adjusted census figure) and 350,000 (estimated LES figure), or to about 100,000 - 110,000, i.e., some 20 percent over the current LES unemployment figures.²

Since it is impossible to separate individual wage earner groups in current unemployment statistics, a time series on average yearly figures of people insured in the compulsory workers' insurance institutions has been substituted. These figures would cover the average number of people actually working as wage earners in private industry, handicraft, trade, and transportation, i.e., all wage earners with the exception of those in agriculture and salaried employees. The second series, giving the average yearly number of people registered with the Labor Employment Service covers all but agricultural and domestic personnel

1. Current unemployment statistics from Statistisches Handbuch für den Bundesstaat Oesterreich, passim.

2. This invisible unemployment may also be partly explained by the fact that the census included those who had never worked before but who stated that they were looking for a job -- a group which would not appear in current unemployment statistics, such as LES. There is also the fact that among the unemployed listed by the census there may have been some unemployables as well.

and those in public services.

Year	Average yearly number of persons: ¹	
	Covered by sickness insurance	Registered with Labor Employment Service
1924	1,217,000	126,500
1925	1,198,600	183,600
1926	1,151,600	202,600 (1927)
1928	1,037,100	182,000
1929	1,020,100	192,100
1930	963,600	242,600
1931	868,300	300,600
1932	716,000	378,000
1933	663,100	405,700
1934	663,400	370,200
1935	645,500	348,700
1936	609,300*	349,700
1937	647,100*	321,000

* Figures as of the end of the year, without miners (about 20,000)
Both series show a downward trend of employment up to 1933, and afterwards

a certain degree of stability. Since registered unemployment did not increase by the same amount as employment decreased, the table indicates a shrinkage of the labor force in private industry and the services. There is no satisfactory explanation for what happened to those withdrawing from the labor force. A study made in 1935² ascribes the shrinkage to migration from urban occupations to agriculture, as well as to the taking up of temporary or auxiliary occupations not covered by sickness insurance.

The assumed migration into agriculture is not, however, corroborated by the facts. What probably occurred is that owners of small land holdings who used to work part time stopped looking for jobs as they became more and more scarce. Another contributing factor might be that juveniles newly entering the labor market were not shown in unemployment statistics, while those quitting on account of old age were taken off the rolls.

World War II brought the number of wage earners in private industry and handicrafts to a figure near the peak of the early Twenties. However, out of the 1,200,000 industrial workers reported in Austria in 1944, about three-quarters are estimated to have been foreign laborers,

1. Öffentliche Nachrichten für die Soziale Verwaltung, passim;
Statistisches Handbuch, passim.

2. Arbeiterschutz, publication of the Main Association of Austrian Sickness Insurance Institutions, quoted in Der Oesterreichische Volkswirt, 5 November 1935.

including prisoners of war. Thus, the indigenous civilian labor force, outside of agriculture and the public services, had shrunk to something like a half of the lowest pre-Nazi figure.

III. SALARIED EMPLOYEES.

A. Earnings

As in the case of wage earners, no comprehensive statistics are available concerning the pay of salaried employees, who totaled 460,329 persons in 1934. One study, based on a sample of about 83,000 persons, made in 1934, reports the following distribution of monthly earnings:¹

Salary Bracket (Schillings)	Group										
	a	a'	b	b'	c	c'	d	d'	e	e'	S
	(percent)										
up to 80 S	3.9	6.8	3.7	3.8	5.2	2.8	1.0	2.3	.1	1.0	4.0
80 - 200	17.6	39.3	23.8	43.8	25.9	63.2	4.6	15.1	14.7	32.3	18.8
200 - 300	21.3	34.1	25.7	35.3	21.5	25.7	7.9	21.1	9.3	26.2	25.9
300 - 400	19.0	12.9	15.3	10.4	18.2	5.9	20.0	16.8	15.8	21.8	15.7
400 and more	38.2	6.9	31.5	6.7	29.2	2.4	66.5	44.7	60.8	13.7	25.6

This table shows a marked salary differential between male and female employees, as well as between those in Vienna and the one group (c,c') outside of Vienna. The lowest paid group are the commercial employees --mostly sales and office personnel in wholesale and retail trade. Relatively highly paid are employees of banks and savings institutions (the elite among salaried employees) and the numerically small group of employees working for the press, including both office workers and editors.

Some data are also available on another important group of salaried employees, the civil servants.² Civil servants were ranked in ten salary ratings, starting from a yearly salary slightly above 1,500 Schillings and rising to about 15,000 Schillings. As of 1936, out of a total of about 43,700 civil servants in the administrative departments,

1. Wirtschaftstatistisches Jahrbuch 1933/35, p.435

a) male salaried employees in Vienna's manufacturing industries (a' female)
 b) male sal. " " wholesale and retail trade (b' female)
 c) male sal. " " Lower Austria and Burgenland (c' female)
 d) male sal. " " banks and similar institutions - Vienna (d' female)
 e) male sal. " with newspapers and magazines - Vienna (e' female)
 S) total average male and females

2. Statistische Nachrichten, vol. 15, no. 5, 27 May 1936, pp.101-2.

only about 4,800 were in the four highest ratings of 5,500 to 15,000 Schillings, and only 61 in the topmost bracket. Since, however, salary schemes vary for administration personnel for those in the judiciary and in federal schools, for state or municipal employees, and also for those in public enterprises (all of them having in-grade differentiations), no comprehensive estimate of income distribution among public servants is possible.

Permanent civil servants had the right to automatic in-grade as well as grade promotions. They also enjoyed the privilege of retirement after thirty-five or forty years of service respectively. If a civil servant had reached the maximum length of service, his pension was fixed at 78.3 percent of his last salary. For retirement after shorter service a reduced pension was provided. Widows had a right to half the pensions due their husbands.

Some idea of the trend of civil servants' total earnings may be gathered from a breakdown of income tax returns under the permissible assumption that there were few civil servants with earnings below the tax-exempted level. For comparative purposes, income tax returns for all other withholding-tax payers (including receivers of pensions, from previous employment) are also given.¹

Year	Total -- income as given in tax returns of	
	civil servants	other withholding-tax payers
	(in mil. Schillings)	
1929	17.2	52.8
1930	18.7	53.9
1931	18.5	53.0
1932	16.4	42.3
1934	16.4	31.4
1935	16.5	31.4
1936	16.3	30.9

The table shows a decrease of 12.3 percent from the high in 1930 to the low in 1934. The break in 1932 was due to a 6 percent cut in salaries -- one of the many deflationary measures applied as an aftermath of the bank crash in Austria -- as well as to premature retiring of personnel and the placing of some of them on compulsory leave with considerable reduced

1. Monatberichte des Konjunkturforschungsinstitutes, vol. 11, no. 6, 26 June 1937, p. 132.

Earnings. On the whole, the income of this civil servant group appears far more stable than that of any other employees; the income of the latter, indeed, decreased over this same period by more than 40 percent. Since the income of civil servants, according to income tax returns, amounted to one-fourth to one-third of labor's total taxable income, the relative stability of their earnings tended to mitigate very much the cyclical fluctuations of the working class income, as a whole.

Two other studies report trends in the salary rates of employees in the Viennese manufacturing industries. The following table, for example, shows changes in the salary index of this group from 1930 to 1937.

Salary index of employees in Vienna's manufacturing industry¹

1930	100
1931	98.7
1932	97.2
1933	95.3
1934	93.1
1936	92.2
1937	92.4

Another study² gives similar tables for the Viennese manufacturing industry for the years 1930 through 1935. Up to 1933, according to this report, distribution among the various salary brackets remained fairly steady. Only in the years 1934/35 did the number of male employees in the highest salary bracket decrease considerably, with a corresponding increase in number of those in the 80 - 200 Schilling bracket. Among the female employees there was a parallel shift from the 200 - 300 Schilling bracket to the 80 - 200 Schilling bracket. The number of employees of both sexes in the lowest bracket (below 80 Schillings) remained almost stable.

The general trend of earnings among salaried employees in private business as a whole may be estimated from the following index³, which

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1. Monatsberichte des Instituts für Konjunkturforschung, vol. 13, no. 2/3, p. 74
 2. Josef Steindl: "Der Arbeitsmarkt der Industrieangestellten", Der Oesterreichische Volkswirt, vol. 28, no. 48, 29 August 29, 1936, p. 922.
 3. Monatsberichte des Wiener Institutes für Konjunkturforschung, vol. 11, no. 6, 1937, p. 135

is based on the average yearly salary given as a basis of dues payments for social insurance. Those dues are levied as a percentage of gross salaries, with the qualification that employees having yearly salaries of more than 4,800 Schillings had to pay dues only on the first 4,800. The index covers all private employees outside of agriculture.

Index of yearly salaries of private employees

1929	100
1930	99.17
1931	98.27
1932	96.83
1933	93.62
1934	90.69
1935	89.21

From 1929 to 1932 this index follows, by and large, the general money wage index (cf. page 11), but it keeps on falling even after the trough of the depression has been passed.

B. Unemployment

The extent of unemployment among salaried employees is again hard to follow over any extended period because of the lack of comprehensive statistics. Recourse can be taken, however, to the population census of 1934, which gave unemployment among salaried employees as follows:

	Salaried employees	Of which were unemployed Number	Percent
Agriculture	11,484	1,109	9.7
Mining, industry, handicraft	106,069	24,828	23.4
Trade, transportation	147,143	31,050	21.1
Banking, insurance	27,814	3,182	11.4
Public services	56,474	926	1.6
Professional services	92,766	13,283	14.3
Domestic services	7,014	951	13.6
Undetermined	11,475	7,838	68.3
	460,239	83,167	18.1

At the same time, current statistics of persons registered with the Labor Employment Service give the number of unemployed salaried employees as only 28,000. These LES statistics, however, give special figures for salaried employees only for a few categories such as office and sales personnel, but not for technical personnel -- draftsmen,

engineers, or foremen. Thus, no reliable time series can be compiled.

However, if the situation in 1934 can be considered typical, a big difference can be noted between wage earners and salaried employees, so far as the incidence of unemployment is concerned. A comparison between unemployment of both groups by occupation shows:

Occupation	Percent of unemployed	
	Wage earners	Salaried employees
Agriculture	7.5	9.7
Mining, industry, handicraft	46.7	23.4
Banking, insurance	15.4	11.4
Trade, transportation	23.9	21.1
Public services	3.1	1.6
Professional services	14.6	14.3
Domestic services	12.1	13.6
Undetermined	71.4	68.3
	31.4	18.1

The table also suggests the reasons for this discrepancy as between wage earners and salaried employees, whose status was more secure in various respects. One cause was certainly the greater protection offered by social legislation to salaried employees: after such an employee had worked for three years the employer had to pay dismissal wages amounting to two months' salary, an amount which increased with the length of the employee's further service up to a full year's salary. This obligation made many employers hesitate to dismiss personnel so covered, if they considered the slump in business not likely to last very long. Where wage-earners were concerned, on the other hand, dismissal meant no extra money outlay for the employer -- on the contrary, a net saving even in the short run.

A second reason for the lower incidence of unemployment among salaried employees was the high proportion of public employees in this group -- 43.6 percent of all salaried employees working at the census date. Many of these employees were protected by contracts; indeed, civil service or equivalent status gave many of them the right of permanent employment, as well as more favorable old age pensions. The favored position of public employees within the salaried group is illustrated by the following table, which shows a lower incidence of

unemployment in those categories where the proportion of public employees was largest.

Economic group	Employed by		Total		
	private concerns	public Instit.	Employed	Unem- ployed	Percent of unemployed
Agriculture	8,279	2,096	10,375	1,109	9.7
Industry, handicraft	73,610	6,245	79,855	24,386	23.5
Catering, hygienic services	5,325	493	5,818	2,288	28.2
Retail, wholesale trade	70,187	371	70,558	26,974	27.7
Transportation	4,967	36,136	41,103	2,230	5.1
Banking, insurance	17,235	7,397	24,632	3,182	11.4
Medical, legal, educational services	23,480	56,003	79,483	13,283	14.3
Political, administrative army, church services	.	55,848	55,848	926	1.6
Domestic services	6,036	.	6,036	951	13.6
Undetermined	3,555	82	3,637	7,838	68.3

IV. WAGE EARNERS IN AGRICULTURE

A. Special Conditions Affecting Rural Labor

Farm workers in Austria, who totaled 347,048 persons in 1934, received few of the benefits of social legislation that applied to their urban counterparts. National provisions for an eight-hour day, for example, did not fully cover agricultural labor and substitute legislation emanating from the individual federal states (Länder) was very vague, either fixing a ten-hour day on a yearly average basis or requesting minimum non-working periods instead. Exceptions were freely granted and subterfuges easily found; hence a sixteen-hour day during peak harvest times was nothing unusual. Neither unemployment insurance nor old-age benefits were granted to agricultural labor. While other forms of social legislation, such as sickness, disability, and accident insurance did cover agricultural labor, the benefits paid were lower than those granted industrial workers.

Not all farm workers labored under the same conditions. One distinct group was comprised of the so-called "Knechte und Magde" (best translated as farm servants), who used to live permanently on the farm as more or less, members of the farm household. In 1934 this group accounted for 218,600 out of Austria's 347,000 agricultural wage-earners. Although the working conditions of the Knechte und Magde improved considerably in the early Twenties, they were still regarded as domestic servants (Dienstboten), subject to the special regulations

enacted for this class. These regulations, which fell under the jurisdiction of the individual federal states, varied considerably between the more progressive and the more backward among them, but were on the whole much less liberal than those applying to any other group of wage-earners.¹ At the same time their treatment as members of the family deteriorated.² There was, consequently, a long-run trend toward a decrease in the number of farm servants.

Among the rest of Austria's agricultural wage-earners, a differentiation can be made between permanent, temporary, and migratory workers.³ The bulk of the migratory workers came from outside the country -- particularly from Slovakia, which adjoins Austria's sugar beet sectors.⁴

B. Earnings

No current statistics on earnings or wage rates of agricultural workers are available. It is, however, common knowledge that this group of wage earners ranked among the lowest paid in Austria. In most cases, moreover, their income consisted only partly of cash, with the balance being paid in board, food, and sometimes work clothes, or, for those not living on the farm, in actual produce. A study made in 1931⁵ gives the cash wage of male farm laborers as 50 Schillings a month, that of female laborers as only 40 Schillings. Since these figures undoubtedly refer to workers living on the farm, an additional sum for food and board must be added to make their wages comparable with those in industry. According to schedules provided by social insurance institutions this addition would amount to approximately 60 Schillings a month, bringing the average monthly wages for male and female laborers to 100 and 110 Schillings respectively, as compared with an average weekly industrial wage of 45.60 Schillings in Vienna. The differential in terms of real wages between industrial and agricultural workers was, however, much smaller.

1. Walter Schiff, "Die Agrarprobleme Oesterreichs", Agrar Probleme, Berlin, vol. 1, no. 2, 1928, pp. 318-22.

2. Michael Hainisch, Die Landflucht, Jena, 1924, p. 56.

3. The 1930 agricultural census counted 25,400 permanent, 134,100 temporary, and 41,500 migratory workers (double counting not excluded).

4. Beginning in 1925 the hiring of workers from abroad required special permission from the Government. An exemption permitting the hiring of agricultural servants was rescinded in 1934.

5. Monthly Labor Review, vol. 43, no. 3, March, 1932, p. 681.

since the rural workers had to spend more for food and board (though what they received was qualitatively better) than is assumed in the social insurance decrees.

Cash wages of workers on large estates (Gutsarbeiter) were about 80 Schillings a month in 1931, while daily wages for temporary farmhands (landwirtschaftliche Tagelöhner) are given as 4.50 Schillings. While the former wages presumably included two meals a day, the latter did not.

C. Employment

Employment trends among agricultural workers can be traced from statistics on the average yearly number of those insured with the sickness insurance institutions for agricultural workers. Although the law covers practically every wage earner in an agricultural undertaking who is not related to the proprietor, the figures taken from this source are actually far below those revealed at census dates.

Average yearly number of workers insured in agricultural insurance institutions¹

1929	280,000*	
1930	275,000	450,000 (Agricultural census of 14 June)
1931	272,000	
1932	274,000	
1933	256,000	
1934	252,000	347,000 (Population census of 22 March)
1935	253,000	
1936	256,000	
1937	261,000	

*Estimated

Seasonal fluctuations and widespread evasion of compulsory insurance, as well as different coverage, explain -- partially at least -- the deviation between insurance and census figures. If the former are considered representative of the employment trend among agricultural workers, their job appears to have been far more stable than that of the urban laborers. From the prosperity peak in 1929 to the bottom of the depression in 1934, employment in agriculture decreased only by ten percent.

1. Monatsberichte des Institutes für Konjunkturforschung, vol. 12, no. 2, 1938, p. 45

This difference in employment is brought out also in comparing figures obtained in the 1934 census. Only 7.6 percent of those giving their profession as agricultural workers were unemployed at that date, as compared with 27.7 percent of all wage and salary earners, and 41.8 percent of those in industry and trade only. The large proportion among the agricultural working class represented by Knechte und Magde, with their restricted mobility, certainly accounts for much of the difference.

Little information is available on wartime developments in agricultural labor conditions. It is certain, however, that a very large proportion of agricultural labor was replaced by foreign workers and prisoners of war. In 1944 these increments are estimated at 86,000 and 200,000 respectively,¹ which would amount to an almost complete replacement of the indigenous agricultural labor force. It should, however, be kept in mind that these foreign workers and prisoners of war had also to replace not merely the rural "employees", but also those farmers or tenants, and members of their families, who had to join the armed forces.